NAVFAC
Naval Facilities Engineering Command
ACTIVITY NAME

2012 DAU ACQUISITION COMMUNITY SYMPOSIUM

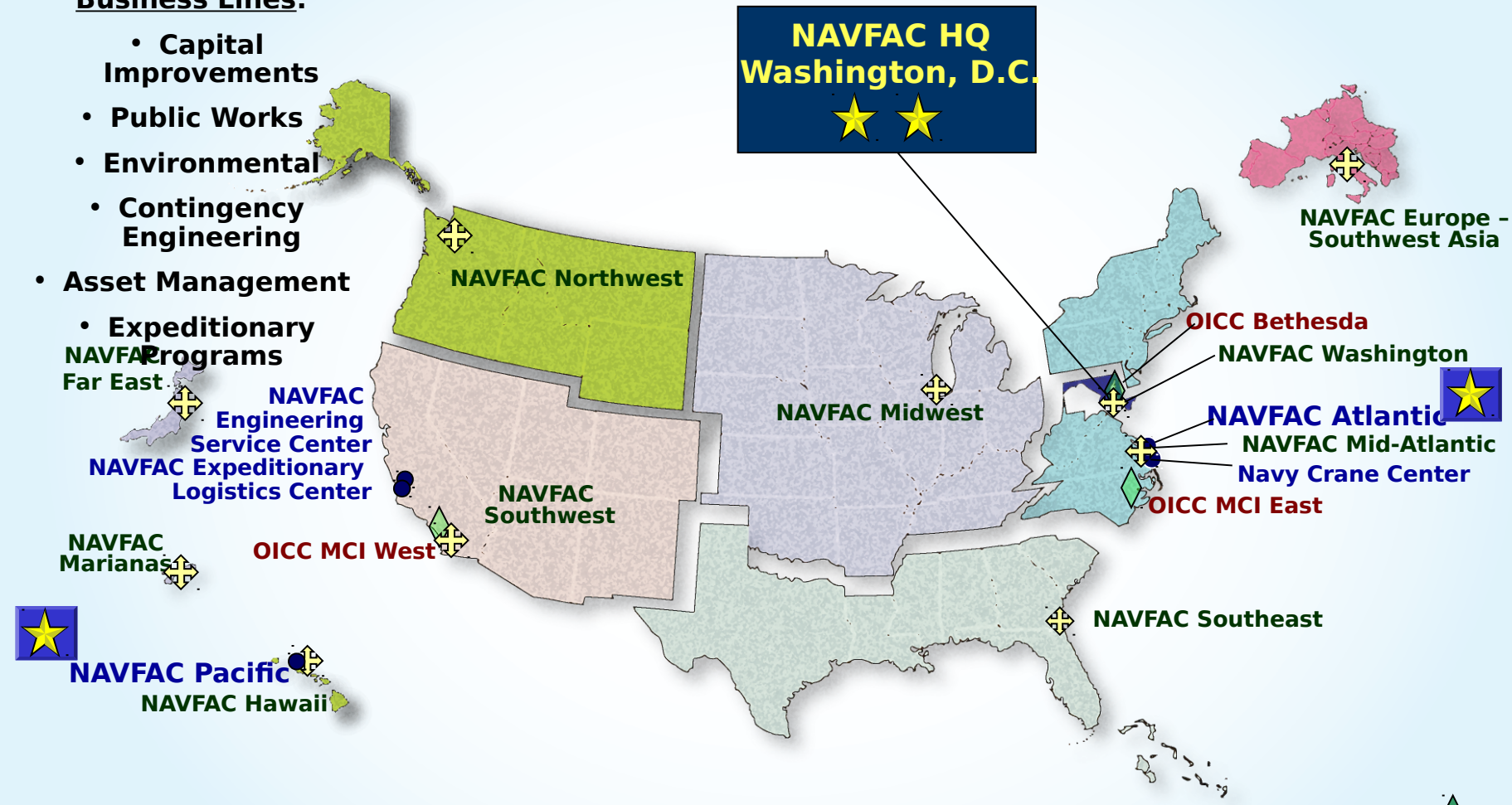
NAVFAC FACILITIES MAINTENANCE

BOB SMITH
Deputy Director, Acquisition
10 April 2012

Worldwide Facilities Acquisition Support

Business Lines:

- Capital Improvements
- Public Works
- Environmental
- Contingency Engineering
- Asset Management
- Expeditionary Programs

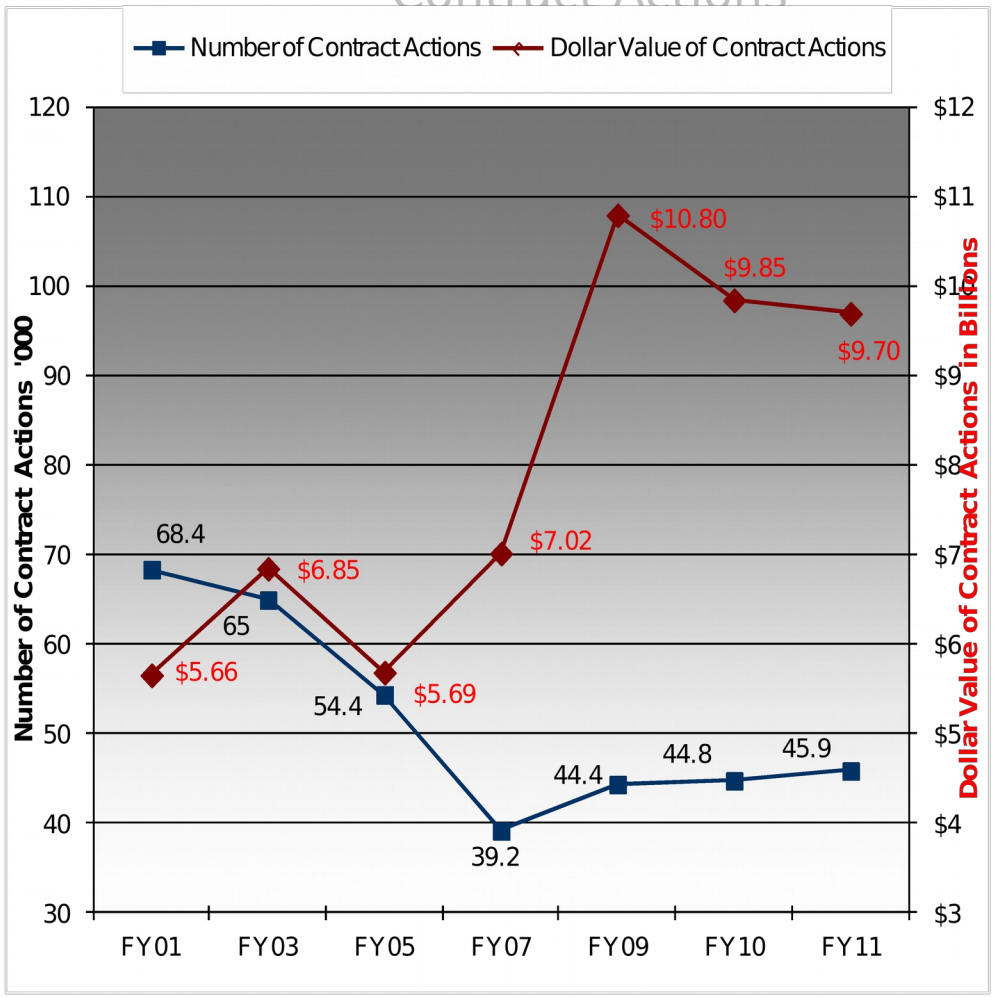


Globally Aligned to Support

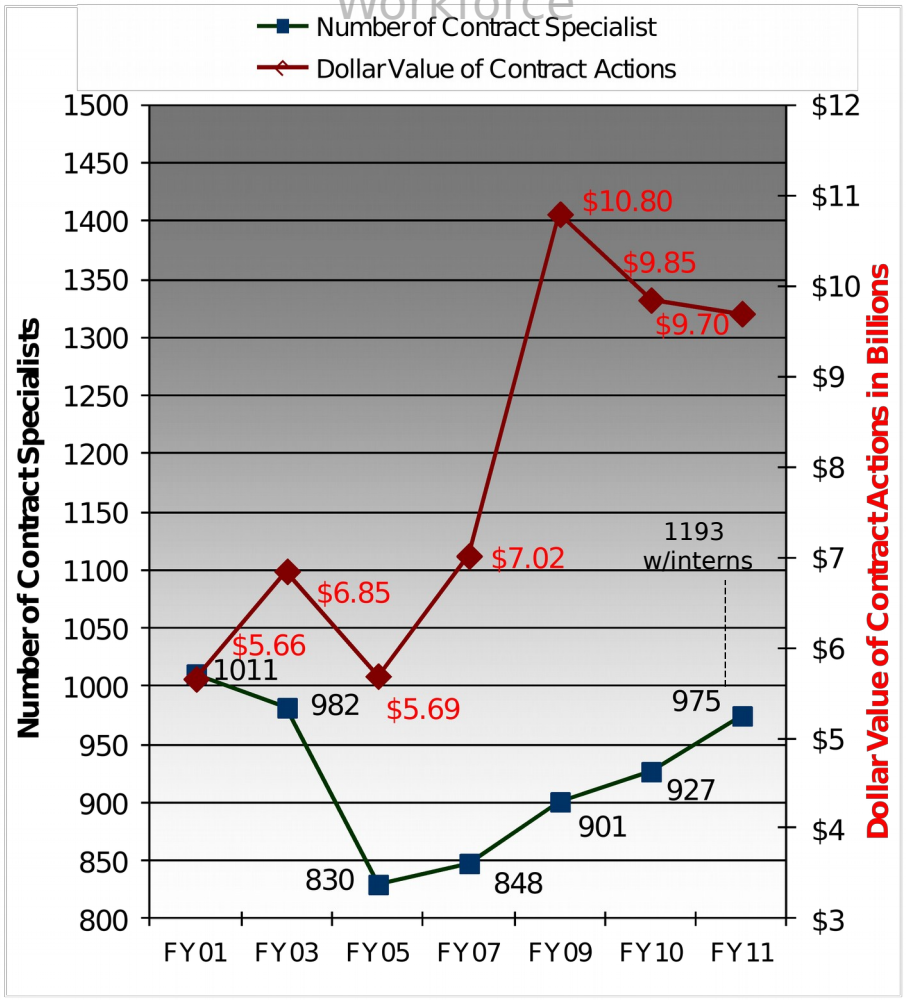
NAVFAC Support of DoN Shore Assets

Acquisition Workload & Contracting Workforce

Contract Actions



Workforce



Strategic Sourcing Enables Workforce Efficiencies

DoD Efficiencies Initiatives

28 Jun 10: OSD(AT&L) announcement that DOD would begin focusing on delivering better value through Acquisitions and improving business methods.

Goal: Obtain 2-3% net annual growth in war-fighting capabilities without commensurate budget increase by identifying and eliminating unproductive or low-value-added overhead and transferring savings to war-fighting capabilities.

Do more without more.

7 Jul 10: OSD(AT&L) formed 5 teams to develop recommendations to restore affordability and productivity in defense spending. Teams report to a Senior Integration Group (SIG) led by DUSD Dr. Ashton Carter.

Principle Initiatives

14 Sep 10: Secretary Carter published 23 principle actions to improve efficiency organized in 5 major areas:

1. **Target Affordability and Control Cost Growth**
2. **Incentivize Productivity and Innovation in Industry**
3. **Promote Real Competition**
4. **Improve Tradecraft in Services Acquisition**
5. **Reduce Non-productive Processes and Bureaucracy**

These initiatives will result in a significant contribution to achieving $100B redirection of Defense budget dollars from unproductive to more productive purposes (sought by Secretary Gates.)

Most Applicable to NAVFAC

Initiative: Address causes of poor ***tradecraft*** in Services acquisitions.

New Rule: DOD components should establish maximum use of standard templates in developing Performance Work Statements. Strengthen market research to understand industry's capabilities and appropriate pricing by establishing dedicated market research teams at the portfolio management level.

Minimal impact: NAVFAC using standard Performance Work Statements in services contracts i.e. grounds maintenance, port operations, etc.

Most Applicable to NAVFAC

Initiative: Enhance competition by requiring more frequent re-competes of Services contracts.

New Rule: In general a five year **limit on single award service contracts** including options, except for Knowledge Based Service contracts which have a three year limit.

Impact: More work for Acquisition team.

New Rule: Up to five year **limit on MACs** if they have "***on ramp***" provisions to **"refresh/update"** the competitor pool.

Impact: More work for Acquisition team.

Most Applicable to NAVFAC

Initiative: Achieve efficiencies in Services contracting by creating a ***Senior Manager*** responsible for governance in planning, executing, strategic sourcing, and managing acquisition of services in each component.

New Rule: Each agency must provide an implementation plan of action and milestones to establish a Senior Manager at the General Officer, Flag or SES level. Senior Manager will be the Decision Authority for Service acquisitions valued at less than $250M.

Impact: DoN appointed the DoN Senior Manager for Services Contracting (SMSC) to meet this expanded role in Services Contracting. NAVFAC closely aligned and engaged with DON SMSC

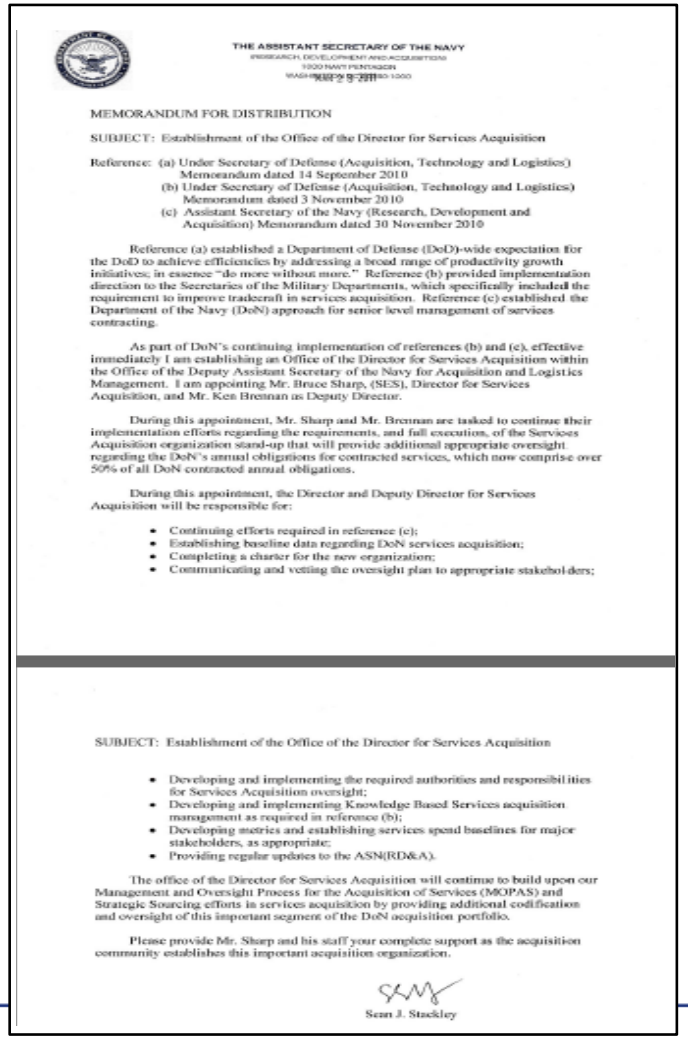
Establishment of the Directorate of Services (referred to as the Senior Services Manager (SSM) going forward)

PROBLEM STATEMENT

Due to increased contractor services spend across the Department, improved governance is needed to provide a cohesive and integrated strategy for the management of services acquisitions

DON SOLUTION

DON has developed a Senior Services Manager (SSM) organization to address the significant opportunities to increase efficiencies and reduce costs in services acquisitions



THE ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Establishment of the Office of the Director for Services Acquisition

Reference: (a) Under Secretary of Defense (Acquisition, Technology and Logistics) Memorandum dated 14 September 2010
(b) Under Secretary of Defense (Acquisition, Technology and Logistics) Memorandum dated 3 November 2010
(c) Assistant Secretary of the Navy (Research, Development and Acquisition) Memorandum dated 30 November 2010

Reference (a) established a Department of Defense (DoD)-wide expectation for the DoD to achieve efficiencies by addressing a broad range of productivity growth initiatives; in essence "do more without more." Reference (b) provided implementation direction to the Secretaries of the Military Departments, which specifically included the requirement to improve tradecraft in services acquisition. Reference (c) established the Department of the Navy (DoN) approach for senior level management of services contracting.

As part of DoN's continuing implementation of references (b) and (c), effective immediately I am establishing an Office of the Director for Services Acquisition within the Office of the Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management. I am appointing Mr. Bruce Sharp, (SES), Director for Services Acquisition, and Mr. Ken Brennan as Deputy Director.

During this appointment, Mr. Sharp and Mr. Brennan are tasked to continue their implementation efforts regarding the requirements, and full execution, of the Services Acquisition organization stand-up that will provide additional appropriate oversight regarding the DoN's annual obligations for contracted services, which now comprise over 50% of all DoN contracted annual obligations.

During this appointment, the Director and Deputy Director for Services Acquisition will be responsible for:

- Continuing efforts required in reference (c);
- Establishing baseline data regarding DoN services acquisition;
- Completing a charter for the new organization;
- Communicating and vetting the oversight plan to appropriate stakeholders;

SUBJECT: Establishment of the Office of the Director for Services Acquisition

- Developing and implementing the required authorities and responsibilities for Services Acquisition oversight;
- Developing and implementing Knowledge Based Services acquisition management as required in reference (b);
- Developing metrics and establishing services spend baselines for major stakeholders, as appropriate;
- Providing regular updates to the ASN(RD&A).

The office of the Director for Services Acquisition will continue to build upon our Management and Oversight Process for the Acquisition of Services (MOPAS) and Strategic Sourcing efforts in services acquisition by providing additional codification and oversight of this important segment of the DoN acquisition portfolio.

Please provide Mr. Sharp and his staff your complete support as the acquisition community establishes this important acquisition organization.

Sean J. Stackley

SSM Organizational Objectives

SSM OBJECTIVES
▪ **Establish SSM as Services Decision Authority (SDA) - $250M to $1B**
o Establish authority, analogous to Milestone Decision Authority (MDA), with delegation authority
▪ **Improve Services Acquisition Costs / Performance**
o Improve requirements definition (including minimizing “requirements creep”)
o Improve market research
o Improve use of optimal contract types
o Increase competition
o Reduce transaction costs (e.g., work hours, number of people)
o Provide better contracting tools (e.g., SOW templates, portals, contracting vehicles)
o Provide strategic management of DON Services Spend (e.g., leverage services spend across DON enterprise)
o Identify demand management opportunities
▪ **Improve Schedule and Performance**
o Improve use of appropriate contractor skill sets vis-à-vis requirements
o Improve planning ▪ Reduce “bridge” contracts ▪ Improve meeting “required by” date
o Improve contractor evaluations (i.e. CPARS) and uniform application of past performance data
▪ **Increase Transparency and Efficiencies Across the Services Lifecycle**
o Increase scope and effectiveness of Strategic Sourcing
o Optimize socio-economic spend
o Improve services management as part of total force
o Apply uniform DOD services spend taxonomy

DOD Taxonomy for Services Portfolios with DON FY11 Spend

SERVICE PORTFOLIO GROUPS - FY11 - $46.3B

Research & Development Services $11.2B

- Systems Development
- Operation Systems Development
- Technology Base
- Commercialization

Construction Services $3.9B

- Structures & Facilities
- Conservation & Development Facilities
- Restoration Activities

Knowledge Based Services $11.5B

- Engineering Management Services
- Program Management Services
- Logistics Management Services
- Management Support Services
- Administrative & Other Services
- Professional Services
- Education & Training

Electronics & Communications Services $5.6B

- ADP Services
- Telecom Services
- Equipment Maintenance
- Equipment Leases

Facility Related Services $6.5B

- Architect/Engineering Services
- Ops of Gov Owned Facilities
- Machinery & Equipment Maintenance
- Building & Plant Maintenance
- Natural Resource Management
- Utilities
- Housekeeping & Social Services
- Purchases & Leases
- Railroad Equipment Modification

Transportation Services $1.1B

- Transportation of Things
- Transportation of People
- Other Travel & Relocation Services

Equipment Related Services $6.0B

- Maintenance, Repair and Overhaul
- Equipment Modification
- Installation of Equipment
- Quality Control
- Technical Representative Services
- Purchases & Leases
- Salvage Services

Medical Services $0.5B

- General Medical Services
- Dentistry Services
- Specialty Medical Services

NAVFAC Drives Efficiencies Across the DoN Facilities Lifecycle

Planning: ~1%
- -Integrated Logistics Support
- -Sustainable Development
- -Asset Information
- -Infrastructure Planning

Design & Construction: 10-15%
- -Design Criteria
- -Construction Program Mgmt.
- -ATFP Ashore & Shore Tech Auth
- -Sustainable Design

Sustainment: >60%
- -Operate and Maintain
- -Utilities & Energy
- -Transportation

Recapitalization: 10-25%
- -Restore
- -Modernize
- -Extend Life

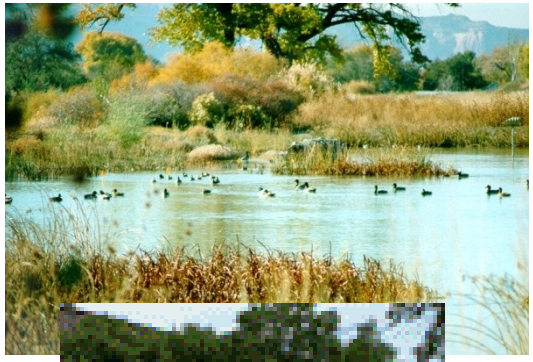
Disposal/Divestiture: 0-2%
- -Demolish
- -Enhanced Use Leasing
- -Public Private Ventures

Washington Navy Yard

Washington Navy Yard

NAVFAC Products and Services

- **Design and Construction**
  - –Sustainable Design
  - –Low Impact Design
  - –Innovative Contracting/Designs
- **Environmental**
  - –Compliance
  - –Conservation
  - –Cultural
  - –Pollution Prevention
- **Planning**
  - –Sustainable Development
  - –Global/Community Plans
  - –Climate Change
  - –Footprint Reduction



- **Facilities Support**
  - –Maintenance and Repair
  - –Vehicles & Equipment
  - –Facilities Management
  - –Facilities/Grounds Services
- **Utilities**
  - –Renewable Energy
  - –Energy Conservation
- **Facilities Investment**
  - –Recapitalization/Re-use
  - –Partnerships
    - **Real Estate Management**
  - –Disposal/Out-lease
  - –Encroachment Prevention

Facility Support Contract Management and Facility Services (FMFS) Product Line Strategic Goal

- Drive down total cost of FSC through process improvements while conforming to current policy
  - Holistic DoN-wide Approach
  - In Partnership with CNIC and USMC
  - Enabled by process improvements, strategic partnerships with Supported Commands and industry, and implementation of COLS
  - Strategy Includes **5 Macro Actions**:

    1. Implementation of Regional Acquisition Strategic Plans
    2. Development and implementation of FSC/BOS Templates and Performance Assessment (PA)
    3. Use of eMALL to purchase unit-priced IDIQ services (using GPC)
    4. Leverage Business Management System (BMS) for standard processes
    5. Improve FSC Systems

Acquisition Strategy For Services

- **DON Management and Oversight Process for the Acquisition of Services (Rev.) (MOPAS 2, Dec 1, 2006)**
  - Implements requirements of NDAA FY2006.
  - Implements USD (AT&L) guidance Oct 2, 2006.
- **DASN approval of MOPAS greater than $100M.**

Facility Service Contracts (FSC)

FY11:

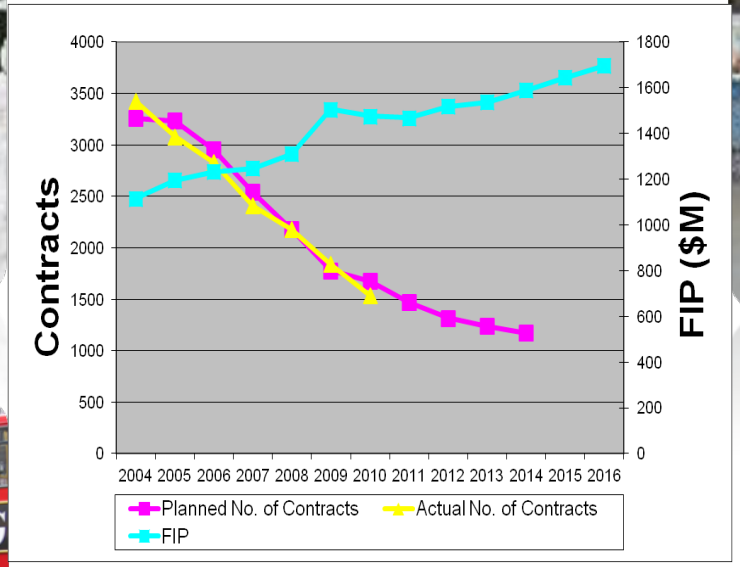
Approx 1640 FSC contracts valued at $1.58B

Approx 33 Base Operations Services incl. options ~ $5

-Installation or Regional specific

-Multi-functions

FSC Management and Facility Services



NAVFAC FSC Planning

Regional Acquisition Strategic Plan (RASP)

- Purpose - to provide a common approach to managing Facility Service Contracts as a fully integrated program, and thereby achieve both efficiency and effectiveness gains.
- DoN spends over one billion annually for facility operations and maintenance provided through FSC contracts. Pressures to reduce such infrastructure costs and devote more resources toward warfighting capability remain.
- A program-level strategy, promoting innovative contracting practices such as contract consolidation, electronic commerce, price-to-budget, standardized FSC/BOS Templates, and performance-based contracts, will reduce overall DoN FSC costs.
- A strategy containing properly structured elements/factors will also contribute to improved procurement strategies across the Navy and Marine Corps.

POLICY

- **DoD Guidebook for PBSA established performance-based criteria**
  - **Describes work in terms of "what" is required, not "how-to" do the work; don't use prescriptive methods**
  - **Assesses work against measurable performance standards (COLS)**
  - **Details performance assessment methods and Contractor performance incentives (+ and -)**
  - **Describes how Contractor is measured/assessed against performance standards (Performance Assessment Plan)**

PWS Structure By Annex

ANNEX NUMBERING SCHEME

ANNEX	TITLE		Spec Number	1st TIER SUB-ANNEX	2nd TIER SUB-ANNEX
1	General Information		0100000	N/A	
2	Management And Administration		0200000	N/A	
3	Command And Staff	(SIC CA)		*0301000 Command (NOT USED)*	
		(SIC RN)		*0302000 Resource Management (NOT USED)*	
		(SIC MS)		0303XXX Total Force Management	0303040 P Pay/Personnel Administrative Support System
		(SIC IT)		0304XXX Info Tech Services	0304010 Info Tech Services
		(SIC CX)		*0305000 Training & Readiness (NOT USED)*	
4	Public Safety	(SIC CT)		0401XXX Force Protection	*0401010 Law Enforcement (NOT USED)* *0401020 Physical Security Equipment (NOT USED)* *0401030 Physical Security Mgmt/Planning (NOT USED)* *0401040 Antiterrorism (NOT USED)* 0401050 Harbor Security 0401060 Security Operations
		(SIC FI)		0402000 Fire & Emergency Services	
		(SIC EM)		*0403000 Emergency Management (NOT USED)*	
		(SIC SA)		0404000 Safety	
5	Air Operations	(SIC AO)		0501XXX Airfield Operations	*0501010 Admin & Station Aircraft Operations (NOT USED)* *0501020 Air Traffic Control (NOT USED)* 0501030 Aviation Fuel Support 0501040 Grounds Electronics 0501050 Airfield Facilities *0501060 Auxilliary Airfield Support (NOT USED)* 0501070 Passenger Terminal & Cargo Handling
6	Port Operations	(SIC PR)	0600000 Port Operations		
		(SIC SC)		Ship Charter	
7	Weapons - removed from IMAP			Sub-annex numbering TBD	
8	Range Support - removed from IMAP			Sub-annex numbering TBD	
9	Health Care Support - removed from IMAP			Sub-annex numbering TBD	
10	Operations Support Supply	(SIC SP)		1001000 Material Management 1002000 Supply	
11	Fleet & Family Readiness Family Support Services	(SIC CD)		*1101000 Child Development (NOT USED)*	
		(SIC FS)		1102000 Fleet & Family Support	
		(SIC FH)		*1103000 Fisher House (NOT USED)*	
		(SIC OC)		*1104000 Other Community Support (NOT USED)*	
12	Fleet & Family Readiness MWR	(SIC MW)		1200000 MWR	
13	Fleet & Family Readiness Galley	(SIC GL)		1300000 Galley	
14	Fleet & Family Readiness Housing	(SICs 10-16, 20, 22, 23, IM)		1401000 Family Housing	
		(SIC QO)		1402000 Bachelor Housing	
		(SIC LO)		*1403000 Lodging (NOT USED)*	
15	Facility Support Facilities and Facility Services	(SIC FP)		1501000 Facility Management	
		(SICs DE, NF, RM, ST, & SM)		1502000 Facility Investment	
		(SIC FX)		1503XXX Facility Services	1503010 Custodial 1503020 Pest Control 1503030 Integrated Solid Waste Management 1503040 Other 1503050 Grounds Maintenance and Landscaping 1503060 Pavement Clearance
		(SIC FQ)		*1504000 Collateral Equipment (NOT USED)*	
16	Facility Support Utilities	(SIC UT)		1601000 Chiller Plant 1602000 Electrical 1603000 Gas 1604000 Wastewater 1605000 Steam 1606000 Water *1607000 Compressed Gas (NOT USED)* *1608000 Delivered Fuels (NOT USED)* *1609000 Other (NOT USED)*	
17	Facility Support Base Support Vehicles and Equipment	(SIC TR)	1700000 BSVE		
18	Environment	(SICs EC, CN, CR, & PP)	1800000 Environmental		

Brooks Act (Public Law 92-582)

- Enacted in 1972, which established the statutory requirement to utilize a qualification-based selection process for A-E contracting.

- Provides the policy and procedures for awarding architect-engineer contracts for the Federal Government.
  - Public Announcement
  - Statements of Qualification
  - Evaluation Statements
  - Development of a Short-list
  - Interviews/Discussions with Firms
  - Ranking of “Top Three” Firms
  - Negotiation with Top Ranked Firm

Construction Award Strategies

- **Stand-Alone Procurements - Best Value Trade-Off or LPTA**
  - –Market Research/Sources Sought determine SB set-aside
  - –Posted on NECO/FBO
  - –Two –Phase Procedures utilized for Design-Build projects
- **Multiple Award Construction Contracts (MACCs)**
  - –Can not exceed Base and 4 option years
  - –Design-Build or Design-Bid-Build Task Orders
  - –Local determination to set-aside for SB base MACC award
  - –Task Order Amounts range from $4M-$50M
- **Developed standard Technical Evaluation Factors for NAVFAC-wide use on all Design-Build projects**

Acquisition Directorate

Provide Innovative, Efficient, and Timely Service to NAVFAC Supported Commands Through Acquisition Technology-Leveraged Solutions.

- **Manage all NAVFAC Contracting as part of the larger Acquisition Team**
- **Support Industry Outreach**
- **Provide Utility Rate Intervention Support**
- **Participate in DoD, DoN & Other Acquisition Councils, Committees, Working Groups**
- **Community Management of the Acquisition Community**

Contract Processes

NAVFAC Business Management System (BMS)

- Standardize Business and Support Line Processes Across The Enterprise
  - Approx 80 Public Works processes
  - Approx 100 Acquisition processes
- Acquisition processes for Planning, Pre-Award and Post-Award

Acquisition

- **DoN FY09 SECNAV ACQ Excellence Award for "Major Acquisition Activity" and "*Field Acquisition Activity*"**
  - **Global, Multi-Dimensional Presence/Support**
  - **NAVFAC attained Exceptional 89% Competition Rate**
  - **Exceeded ARRA Award Targets**
- **DoN FY10 SECNAV ACQ Excellence Award for "*Field Acquisition Activity*"**
  - **Awarded $349 ARRA Hospital Replacement Project at Camp Pendleton, CA in 17 Months through a Best Value, Full and Open Competition, Two-Phase Source Selection From Concept to Construction.**
- **NNMC Bethesda – Largest Construction Contract in NAVFAC History**
  - **$1B Fixed Price, Competitive Contract Awarded in 10 Months**
  - **Executing at peak $1M/Day, 1,700 Jobs, Working 24 Hrs/Day, 7 Days/Wk**
- **Guam/Defense Policy Review Initiative (DPRI) – *Leaning Forward***
  - **$5.4B Contract Capacity Awarded ($1B SB set-asides)**
  - **68% Increase in Contracting Workforce poised to execute**

QUESTIONS ????